

FREDERICK COUNTY, MARYLAND

**Single Audit Together with
Reports of Independent Public Accountants**

For the Year Ended June 30, 2020



SB & COMPANY, LLC
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JUNE 30, 2020

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

County Executive, Jan H. Gardner
Members of the County Council
Frederick County, Maryland

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Frederick County, Maryland (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios and schedule of employer contributions for the Frederick County Employees Retirement Plan, the schedule of changes in net pension liability and related ratios and schedule of employer contributions for the Frederick County Length of Service Awards Program, and the schedule of changes in net OPEB liability and related ratios and schedule of employer contributions for the Frederick County Retiree Health Benefit Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying introductory, combining and individual fund statements, budgetary comparison schedules, capital assets used in the operation of governmental funds, statistical section, and the schedule of expenditures of Federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund statements, budgetary comparison schedules, capital assets used in the operation of governmental funds and the schedule of expenditures of Federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund statements, budgetary comparison schedules, capital assets used in the operation of governmental funds and the schedule of expenditures of Federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Owings Mills, Maryland
November 23, 2020



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

County Executive, Jan H. Gardner
Members of the County Council
Frederick County, Maryland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Frederick County, Maryland (the County) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland
November 23, 2020



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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

County Executive, Jan H. Gardner
Members of the County Council
Frederick County, Maryland

Report on Compliance for Each Major Federal Program

We have audited Frederick County, Maryland's (the County's) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major Federal programs for the year ended June 30, 2020. The County's major Federal programs are identified in the Summary of Independent Public Accountant's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the County's compliance.



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Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Owings Mills, Maryland
May 21, 2021

FREDERICK COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
U.S. Department of Housing and Urban Development					
Pass-through Maryland Department of Housing and Community Development					
Community Development Block Grant Program	14.228	MD-20-CD-24	\$ 206,000		
Section 8 Project-Based Cluster					
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	Unknown	167,895		
Total Section 8 Project-Based Cluster				\$ 167,895	
Housing Voucher Cluster:					
Section 8 Housing Choice Voucher	14.871	Unknown	7,151,920		
Total Housing Voucher Cluster				7,151,920	
Total U.S. Department of Housing and Urban Development			<u>7,525,815</u>		
U.S. Department of the Interior					
Payments in Lieu of Taxes					
	15.226	Unknown	28,526		
Battlefield Land Acquisition Grants	15.928	P19AP00023	<u>157,402</u>		\$ 157,402
Total U.S. Department of the Interior			<u>185,928</u>		
U.S. Department of Justice					
State Criminal Alien Assistance Program					
	16.606	2016-AP-BX-0070	2,229		
	16.606	2019-AP-BX-0327	16,906		
	16.606	2019-AP-BX-0787	53,117		
Equitable Sharing Program	16.922	Unknown	57,535		
Pass-through Governor's Office of Crime Prevention, Youth and Victim Services					
Crime Victim Assistance	16.575	VOCA-2018-0045	165,406		
Crime Victim Assistance	16.575	VOCA-2018-0034	46,001		
Crime Victim Assistance	16.575	VOCA-2017-0018	49,933		
Crime Victim Assistance	16.575	VOCA-2017-002	61,223		
Crime Victim Assistance	16.575	VOCA-2017-0052	15,642		
Crime Victim Assistance	16.575	VOCA-2017-0062	16,792		
Violence Against Women Formula Grants	16.588	VAWA-2018-0053	1,209		
Violence Against Women Formula Grants	16.588	VAWA-2018-0017	<u>11,067</u>		
Total U.S. Department of Justice			<u>497,060</u>		
U.S. Department of Labor					
Pass-through Maryland Department of Labor, Licensing and Regulation					
Employment Service Cluster:					
Employment Service/Wagner-Peyser Funded Activities	17.207	Unknown	24,331		
Disabled Veterans' Outreach Program (DVOP)	17.801	Unknown	4,045		
Total Employment Service Cluster:				28,376	
Unemployment Insurance	17.225	Unknown	4,045		
Senior Community Service Employment Program	17.235	Unknown	1,347		
Trade Adjustment Assistance	17.245	Unknown	809		
WIOA Cluster:					
WIOA Adult Program	17.258	Unknown	1,091		
WIOA Adult Program	17.258	POOP94-FR-FY19-A	81,162		
WIOA Adult Program	17.258	PO6-FR-FY20-A	173,702		
WIOA Adult Program	17.258	PO6-FR-PY19-A	7,146		
WIOA Youth Activities	17.259	Unknown	1,467		
WIOA Youth Activities	17.259	POOP94-FR-PY18-Y	87,832		
WIOA Youth Activities	17.259	PO6-FR-SYC-PY19	27,348		
WIOA Youth Activities	17.259	PO6-FR-PY19-Y	172,540		
WIOA Dislocated Worker Formula Grants	17.278	Unknown	1,204		
WIOA Dislocated Worker Formula Grants	17.278	POOP94-FR-PY19-D	287,402		
WIOA Dislocated Worker Formula Grants	17.278	POOP94-FR-FY19-D	67,119		
WIOA Dislocated Worker Formula Grants	17.278	POOP94-FR-PY18-D	69,742		
WIOA Dislocated Worker Formula Grants	17.278	PO6-FR-PY19-D	23,851		
WIOA Dislocated Worker Formula Grants	17.278	PO6-FR-FY20-D	147,299		
Total WIOA Cluster				1,148,905	
Temporary Labor Certification for Foreign Workers	17.273	Unknown	3,292		
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	POOP94-FR-NHE	<u>35,781</u>		
Total U.S. Department of Labor			<u>1,222,555</u>		

FREDERICK COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
U.S. Department of Transportation					
Pass-through Maryland Department of Transportation					
Highway Research and Development Program	20.200	Unknown	\$ 18,013		
Highway Planning and Construction Cluster:					
Highway Planning and Construction	20.205	FR629ZM1	393,529		
Highway Planning and Construction	20.205	FR170M81	10,046		
Total Highway Planning and Construction Cluster				\$ 403,575	
Federal Transit Cluster:					
Federal Transit - Formula Grants	20.507	FR085307O2020	73,902		
Federal Transit - Formula Grants	20.507	FR085307O2020	1,976,365		
Federal Transit - Formula Grants	20.507	FR085307C2018	433,928		
Federal Transit - Formula Grants	20.507	FR08CMAQ2020	119,060		
Federal Transit - Formula Grants	20.507	FR085311C2018	7,525		
Federal Transit - Formula Grants	20.507	FR085307C2017	66,400		
Total Federal Transit Cluster				2,677,180	
Formula Grants for Rural Areas	20.509	FR085311O2020	204,528		
Formula Grants for Rural Areas	20.509	FR085307C2020	531,066		
Formula Grants for Rural Areas	20.509	FR085307C2019	42,200		
Formula Grants for Rural Areas	20.509	FR085311C2019	27,552		
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	19-GA 884 7-04	11,400		
Total U.S. Department of Transportation			<u>3,915,514</u>		
U.S. Department of the Treasury					
Equitable Sharing Program	21.016	Unknown	20,000		
Pass-through Maryland Department of Budget and Management					
Coronavirus Relief Fund	21.019	Unknown	8,098,001		\$ 5,166,886
Total U.S. Department of the Treasury			<u>8,118,001</u>		
National Endowment for the Humanities					
Pass-through Maryland State Library					
State Library Program	45.310	519112	15,000		
State Library Program	45.310	520204	8,743		
Total National Endowment for Humanities			<u>23,743</u>		
U.S. Department of Education					
Pass-through Maryland Department of Education					
Adult Education - Basic Grants to States	84.002	Unknown	1,347		
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	Unknown	1,347		
Special Education Cluster:					
Special Education - Grant to States (IDEA - Part B)	84.027	200450	112,611		
Special Education - Grant to States (IDEA - Part B)	84.027	45619	20,851		
Special Education - Grant to States (IDEA - Part B)	84.027	181314	6,700		
Special Education - Preschool Grants (IDEA - Preschool)	84.173	200407-02	9,587		
Special Education - Preschool Grants (IDEA - Preschool)	84.173	H173A140089	279		
Special Education - Preschool Grants (IDEA - Preschool)	84.173	200407-01	7,000		
Total Special Education Cluster				157,028	
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	SG200350	133,694		
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	Unknown	4,944		
Special Education - Grants for Infants and Families	84.181	190211-02	16,377		
Special Education - Grants for Infants and Families	84.181	200406-02	39,258		
Special Education - Grants for Infants and Families	84.181	H181A180124	8,963		
Special Education - Grants for Infants and Families	84.181	200406-01	280,717		
Total U.S. Department of Education			<u>643,675</u>		

FREDERICK COUNTY, MARYLAND

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
U.S. Department of Health and Human Services					
Pass-through Maryland Department of Aging					
Special Programs for the Aging - Title VII - Chapter 3					
Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	18AAMDT&EA	\$ 109		
Special Programs for the Aging - Title VII - Chapter 3					
Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	1901MDOAEA	1,819		
Special Programs for the Aging - Title VII - Chapter 3					
Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2001MDOAEA	1,033		
Special Programs for the Aging - Title VII - Chapter 2					
Long Term Care Ombudsman Services for Older Individuals	93.042	18AAMDT70M	375		
Special Programs for the Aging - Title VII - Chapter 2					
Long Term Care Ombudsman Services for Older Individuals	93.042	1901MDOAOM	6,335		
Special Programs for the Aging - Title VII - Chapter 2					
Long Term Care Ombudsman Services for Older Individuals	93.042	2001MDOAOM	3,774		
Special Programs for the Aging - Title III - Part D					
Disease Prevention and Health Promotion Services	93.043	18AMDT3PH	2,372		
Special Programs for the Aging - Title III - Part D					
Disease Prevention and Health Promotion Services	93.043	Unknown	100		
Special Programs for the Aging - Title III - Part D					
Disease Prevention and Health Promotion Services	93.043	1901MDOAPH	1,250		
Aging Cluster:					
Special Programs for the Aging - Title III - Part B					
Grants for Supportive Services and Senior Centers	93.044	2001MDOASS	204,157		
Special Programs for the Aging - Title III - Part B					
Grants for Supportive Services and Senior Centers	93.044	1901MDOASS	21,581		
Special Programs for the Aging - Title III - Part C - Nutrition Services	93.045	18AAMDT73CM	28,875		
Special Programs for the Aging - Title III - Part C - Nutrition Services	93.045	1901MDOACM	62,350		
Special Programs for the Aging - Title III - Part C - Nutrition Services	93.045	2001MDOACM	53,200		
Special Programs for the Aging - Title III - Part C - Nutrition Services	93.045	1901MDOAHD	80,030		
Special Programs for the Aging - Title III - Part C - Nutrition Services	93.045	2001MDOAHD	92,537		
COVID 19 - Special Programs for the Aging - Title III - Part C - Nutrition Services	93.045	652420/09	66,264		
Nutrition Services Incentive Program	93.053	2001MDOANS	49,349		
Nutrition Services Incentive Program	93.053	1901MDOANS	5,084		
Total Aging Cluster				\$ 663,427	
Special Programs for the Aging - Title IV and Title II - Discretionary Projects	93.048	90MPPG0001-02-01	4,299		
National Family Caregiver Support - Title III - Part E	93.052	2001MDOAFC	69,026		
National Family Caregiver Support - Title III - Part E	93.052	1901MDOAFC	45,170		
Medicare Enrollment Assistance Program	93.071	1801MDMISH-00	1,168		
Medicare Enrollment Assistance Program	93.071	1801MDMIAA-00	648		
Medicare Enrollment Assistance Program	93.071	1801MDMIDR-00	768		
Medicare Enrollment Assistance Program	93.071	1801MDMISH-01	3,879		
Medicare Enrollment Assistance Program	93.071	1801MDMIAA-01	2,149		
Medicare Enrollment Assistance Program	93.071	1801MDMIDR-01	2,564		
State Health Insurance Assistance Program	93.324	90SAP-G0003-02-01	10,321		
Pass-through Maryland Department of Human Resources					
Promoting Safe and Stable Families	93.556	FCDSS/CW-20-002	127,500		
TANF Cluster:					
Temporary Assistance for Needy Families (TANF)	93.558	FCDSS/FIA 20-003	10,886		
Temporary Assistance for Needy Families (TANF)	93.558	FCDSS/FIA 20-004	6,132		
Temporary Assistance for Needy Families (TANF)	93.558	Unknown	3,689		
Total TANF Cluster				20,707	
Child Support Enforcement	93.563	CSEA/CRA 20-014	732,813		
Child Support Enforcement	93.563	CSEA/CRA 19-014	258,340		
Child Support Enforcement	93.563	CSEA/CRA-20-047	8,761		
Child Support Enforcement	93.563	CSEA/CRA-19-047	3,982		
Pass-through Maryland Family Network					
Community - Based Child Abuse Prevention Grants	93.590	18001MDBCAP	30,000		
Pass-through Governor's Office of Crime Prevention, Youth and Victim Services					
Children's Justice Grants to States	93.643	CJAC-2019-0003	11,977		
Pass-through Maryland Living Well Center of Excellence					
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs	93.734	Unknown	4,137		

FREDERICK COUNTY, MARYLAND

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Cluster Total	Amounts Provided to Subrecipients
U.S. Department of Health and Human Services (continued)					
Pass-through Maryland Institute for Emergency Medical Services Systems					
Hospital Preparedness Program Ebola Preparedness and Response Activities	93.817	EMSHCID-001	\$ 18,763		
Hospital Preparedness Program Ebola Preparedness and Response Activities	93.817	EMSHCID-001	19,000		
Total U.S. Department of Health and Human Services			<u>2,056,566</u>		
U.S. Department of Homeland Security					
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2018-FH-00325	575,047		
Pass-through Maryland Emergency Management Agency					
Disaster Grants-Public Assistance	97.036	Unknown	613,903		
Emergency Management Performance	97.042	EMW-2019-EP-00004-S01	27,684		
Homeland Security Grant Program	97.067	EMW-2019-SS-00064	66,579	\$	12,638
Homeland Security Grant Program	97.067	EMW-2018-SS-00023-SHSP	70,602		14,400
Homeland Security Grant Program	97.067	EMW-2017-SS-00019	6,560		
Homeland Security Grant Program	97.067	EMW-2018-SS-0023-S01	12,500		
Total U.S. Department of Homeland Security			<u>1,372,875</u>		
Total Expenditures of Federal Awards			<u>\$ 25,561,732</u>		<u>\$ 5,351,326</u>

FREDERICK COUNTY, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of Frederick County, Maryland (the County) are included in the scope of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. The programs on the Schedule of expenditures of Federal awards (the Schedule) represent all Federal award programs with fiscal year 2020, cash or non-cash expenditure activities. For single audit testing, we tested to ensure coverage of at least 20% of federally granted funds. Actual coverage was 40%. The major programs tested are listed below.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

<u>Major Programs</u>	<u>CFDA Numbers</u>	<u>Federal Expenditures</u>
U.S. Department of Labor		
WIOA Cluster	17.258, 17.259, 17.278	\$ 1,148,905
U.S. Department of the Treasury		
Coronavirus Relief Fund	21.019	8,098,001
U.S. Department of Health and Human Services		
Child Support Enforcement	93.563	1,003,896
		<u>\$ 10,250,802</u>

2. BASIS OF PRESENTATION

The accompanying Schedule includes the Federal award activity of the County under programs of the Federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

FREDERICK COUNTY, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

3. LOAN PROGRAM

The County administers a loan under Capitalization Grants for Clean Water State Revolving Funds from the Maryland Department of the Environment (Federal CFDA Number 66.458) without continuing compliance requirements and therefore, are not presented in the Schedule. The loan was used for municipal wastewater treatment plant and landfill cell lining and capping. The outstanding balance of the loan as of June 30, 2020 was \$24,304,121. There were no draws on the loan during 2020.

4. DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

During 2020, the County received Personal Protective Equipment (PPE) purchased with Federal assistance funds from various Federal agencies, which were valued at \$831,129 based on fair market value at the time of the receipt. Donated PPE amounts were not accounted for the purposes of the Single Audit and is not required to be audited in accordance with the Uniform Guidance. Therefore, donated PPE amounts were not reported in the Schedule.

FREDERICK COUNTY, MARYLAND

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2020

Section I - Summary of Independent Public Accountant's Results

Financial Statements

Type of Independent Public Accountants' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies?	None reported
Noncompliance material to financial statements?	No

Federal Awards

Type of Independent Public Accountants' report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies?	None reported
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance?	No

Identification of Major Programs:

Major Programs	Federal CFDA Number	Federal Expenditures
U.S. Department of Labor		
WIOA Cluster	17.258, 17.259, 17.278	\$ 1,148,905
U.S. Department of the Treasury		
Coronavirus Relief Fund	21.019	8,098,001
U.S. Department of Health and Human Services		
Child Support Enforcement	93.563	1,003,896
		\$ 10,250,802
Threshold for distinguishing between Type A and B programs		\$ 766,852
Did the County qualify as a low risk auditee?		Yes

FREDERICK COUNTY, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings

None noted.

FREDERICK COUNTY, MARYLAND

**Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2020**

There were no prior year findings in the June 30, 2019 Single Audit report.